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ABSTRACT

Not only is the official black unemployment rate 2.5 times higher than that of whites, but a significantly greater percentage of the white population is employed compared with blacks (61.6 percent compared with 54.2 percent). Evidence suggests that the real rate of unemployment and underemployment among blacks is 23.5 percent. The situation is even more severe for young blacks who face a real unemployment rate of 57.5 percent compared to a 14.8 percent real rate for young whites. Since 1950, blacks have been increasingly dependent on manufacturing jobs. The decline in manufacturing has hit hardest on blacks living in the central regions of the country, where the black unemployment rate is three times higher than that of whites. Among college-educated blacks, the unemployment rate increased 108 percent during the 1981-1982 recession, and college-educated blacks are the only group whose unemployment rate has not returned to prerecession levels. Black female-headed households that experience some unemployment are more likely than other households to have no one else employed because these families include fewer multiple earners. Even in times of high business activity, the long-term trend has been for unemployment to rise. This rise has been steeper for blacks than for whites (a 57.5 percent rise between 1973 and 1986 for blacks as opposed to a 41.9 percent rise during the same period). A wide range of policy measures is necessary to address the serious and escalating problem of black unemployment. (MN)

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A FIRST FRIDAY REPORT

August 1, 1986

BLACK UNEMPLOYMENT: JUST HOW SERIOUS IS IT?

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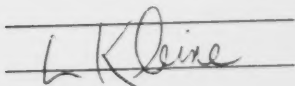
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PRINCIPLE AUTHOR:

Lynn Burbridge, Staff Economist
Joint Center for Political Studies, Washington, D.C.

CONTRIBUTORS/EDITORS:

Calvin H. George, Executive Director
National Committee for Full Employment

Robert McAlpine, Congressional Liaison
National Urban League, Washington Office

Frank J. Slobig, Co-Director
SERVICE AMERICA: The Roosevelt Project

Neil Gladstein, Research Analyst
International Brotherhood of Electrical Workers

For further information or additional copies
of this report, contact:

National Committee for Full Employment
815 16th Street, N.W.
Suite 301
Washington, D.C. 20006
(202) 393-7415



FIRST FRIDAY REPORT

BLACK UNEMPLOYMENT: JUST HOW SERIOUS IS IT?

August 1, 1986

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EXECUTIVE SUMMARY

- The official black unemployment rate is 2.5 times as high as that for whites (15.1 compared to 6.1).
- A significantly greater percentage of the white population is employed when compared to blacks (61.6 percent compared to 54.2 percent).
- This is particularly true when focusing on youth, since almost 1 in 2 white teenagers have a job compared to 1 in 4 black teenagers.
- The "real" rate of unemployment and underemployment for blacks--after accounting for involuntary part-time work and discouraged workers--is 23.5 compared to an official unemployment rate of 15.1. This is twice as high as the "real" rate for whites.
- For young blacks the situation is even more severe; the "real" rate is 57.5 compared to a "real" rate of 14.8 for young whites.
- The "real" rate for blacks represents a minimum estimate since there is reason to believe that there is an undercount of the black population, particularly in the case of unemployed, young black males.
- Since 1950 blacks have been increasingly dependent on manufacturing employment (the percentage of blacks in manufacturing increased from 18.5 to 23.2 between 1950 and 1980), although this sector has declined in importance in the overall economy.
- The decline in manufacturing has particularly hit blacks in the central regions of the country where black unemployment rates are three times those of whites and blacks experience unemployment of longer duration than in other regions.
- Unemployment among college-educated blacks increased 108 percent during the 1981/1982 recession, the biggest jump for any race-education group examined.
- College-educated blacks are the only group whose unemployment rate has not returned to pre-recession levels.
- Black female-headed households that experience some unemployment are more likely than other households to have no one else employed; there are fewer multiple earners in these families, with a greater financial burden falling on black female heads than adult members of other family types.

- There has been a long run tendency for unemployment to rise--even at times of high business activity.
- The rise in unemployment rates has been steeper for blacks than for whites. The black unemployment rate is 57.5 percent higher in 1986 than it was in 1973. The white unemployment rate is 41.9 percent higher in 1986 than it was in 1973.
- A wide range of policy measures are necessary to come to grips with the serious and escalating problem of black unemployment.

BLACK UNEMPLOYMENT: JUST HOW SERIOUS IS IT?

I. Introduction

Black Americans represent 11.1 percent of the U.S. civilian non-institutional population but in June 1986 they were 22.9 percent of the unemployed: those looking for work who cannot find it. They represented 16.3 percent of the underemployed: those working part-time who want full-time jobs. Further, they were 24.0 percent of discouraged workers: those no longer looking for work because they do not think they can find a job.

The unemployment problems of black Americans is not "news." Every month the Bureau of Labor Statistics (BLS) reports unemployment rates for blacks that are at least twice as high as those for whites. But these figures do not tell the entire story. Dr. Janet Norwood, Commissioner of Labor Statistics, recently testified before a House subcommittee that "the unemployment rate by itself does not always reflect adequately the problems experienced by some groups of our population."¹ The unemployment rate does not, for example, measure the extent to which people are underemployed or have been discouraged from looking for work. Further, it is not clear that the sample BLS uses to calculate black unemployment rates in particular are

¹. "U.S. Measures of Unemployment Raises Doubts Over Its Accuracy," New York Times, July 22, 1986.

representative of the black population; first because the sample may be too small and second because census enumerators are not always successful in obtaining information on central city residents. So the question still remains: do we know how serious the black unemployment situation really is?

II. Official and "Real" Unemployment Rates

Table 1 presents official unemployment statistics for June of 1986 by race and age. The data show slightly higher labor force participation rates (the percentage of the population in the labor force) among whites than among blacks. Participation rates for white males are slightly higher than those for black males, while those for black females are slightly higher than those for white females. The biggest difference is among youth, with young whites' participation rate 12.6 percentage points higher than that for young blacks (57.2 for whites vs. 44.6 for blacks).

The difference between blacks and whites are much more pronounced when looking at unemployment rates. The black unemployment rate is 2.5 times the white unemployment rate. This difference is found consistently whether we examine blacks as a group or make comparisons by race and age or race and sex.

Many feel that the unemployment rate does not adequately reflect joblessness since the unemployed are defined as those who are actively seeking work. Those who have given up trying to find a job are excluded. The employment-population ratio, presented in column 3 of table 1, gets around this by simply measuring that portion of the entire population that is actually

Table 1
Employment Status of the Civilian Noninstitutional Population
By Age, Sex, and Age (June 1986)

	Labor Force Participation Rate	Unemployment Rate	Employment- Population Ratio
<u>Whites</u>	65.6	6.1	61.6
Males, 20 years or more	78.5	5.4	74.3
Females, 20 years or more	55.3	5.4	52.3
Both sexes, 16-19 years old	57.2	16.2	47.9
<u>Blacks</u>	63.9	15.1	54.2
Males, 20 years or more	75.5	13.3	65.4
Females, 20 years or more	58.7	12.8	51.2
Both sexes, 16-19 years old	44.6	40.2	26.7

Source: U.S. Department of Labor, Bureau of Labor Statistics,
Employment and Earnings, June 1986.

employed. Whites have a much higher employment-population ratio than blacks. Only among adult females is the difference relatively slight. Adult white males have an employment-population ratio 8.9 percentage points higher than adult black males. White teenagers have an employment-population ratio that is 21.2 percentage points higher than that for black teenagers.

But even the employment-population ratio does not take into account the extent to which people are underemployed. Underemployment can include those who are working less than full-time but who want a full-time job or those who are working at full-time jobs that do not fully utilize their skills. The latter is very difficult to measure with available data. BLS does, however, collect data on those who are working part-time for "economic reasons:" who want but cannot find full-time work. Therefore, a third way of measuring joblessness--that used by the National Committee for Full Employment (NCFE)--can be constructed combining official measures of unemployment, involuntary part-time work and discouraged workers.

NCFE refers to its measure as the "real" rate of unemployment and underemployment. Table 2 presents calculations of this composite index--and the data used to derive it--for blacks and whites by race and sex. "Real" unemployment rates are almost twice the "official" unemployment rates for both blacks and whites. At 23.5 percent the black "real" unemployment rate for June of 1986 was at depression levels. For black youth 24 years old and under the real rate is disastrous, 57.5 percent, almost 4 times the real rate for young whites. Further this rate

Table 2
Breakdown of the "Real" Labor Force¹
By Race, Sex, and Age
March 1986²

	Percent Unemployed	Percent Part-time Involuntary	Percent Discouraged Workers ³	"Real" Unemploy- ment Rate ⁴
<u>Total</u>	7.4	4.5	1.0	12.9
<u>Whites</u>	6.5	4.3	.8	11.5
Males	6.7	3.5	.5	10.7
Females	6.2	5.2	1.1	12.5
16-24 year olds	11.1	2.9	.8	14.8
<u>Blacks</u>	14.3	6.6	2.5	23.5
Males	15.0	5.8	1.9	22.8
Females	13.7	7.4	3.1	24.2
16-24 year olds	29.9	24.4	3.3	57.5

Source: U.S. Department of Labor, Bureau of Labor Statistics, Employment and Earnings, April 1986.

¹. The real labor force includes those who are employed, unemployed and seeking work, plus discouraged workers.

². Data on discouraged workers are based on quarterly averages for the first quarter of 1986.

³. Discouraged workers are those who are not working and not looking for work because they think they cannot find a job.

⁴. The first three columns may not add up exactly to the "real" unemployment rate because of rounding.

represents the minimum real unemployment rate. We still do not know what percentage of young blacks, particularly young black males, that is "missed" when employment data is collected.

High rates of youth unemployment are not to be taken lightly. They have been associated with high crime rates, substance abuse and teen pregnancy. Further, black youth are an increasing proportion of potential entrants to the labor force. (In 1975 black 16-24 year olds were about 13 percent of all 16-24 year olds; in 1995 they are projected to be almost 16 percent of those in this age group.) American businesses will come to rely more and more on black and Hispanic youth to fill entry level jobs and yet if trends continue, many of these young people will have little or no labor market experience. For all these reasons, an almost 60 percent rate of unemployment and underemployment among black youth has serious consequences--not only for them--but for society as a whole.

III. Regional and Industrial Influences

One reason that is often cited to explain high black unemployment is the decline in manufacturing. Manufacturing has been the traditional route for upward mobility for immigrant groups in the past, and since 1950 blacks have increasingly relied on manufacturing employment. Between 1950 and 1980 the percentage of blacks in manufacturing increased from 18.5 to 23.2. (At the same time the percentage of whites in manufacturing declined from 26.8 percent of all whites to 22.3 percent.) However, over this time period manufacturing has declined in importance in the U.S. economy. Value added in manufacturing

declined from 26 percent of national income in 1976 to 22 percent of national income in 1983. Also of significance, the percentage of the manufacturing labor force classified as production workers declined from 72.2 percent in 1967 to 65.2 percent in 1983.

Table 3, presenting the regional breakdown of unemployment by race, apparently bears out this argument. The central regions of the country by far have the highest unemployment rates for blacks and these are the regions traditionally associated with high manufacturing employment. However, the South and Mid Atlantic states also rely heavily on manufacturing. So attention must be paid to the kinds of manufacturing industries that are affected and, possibly, the disparate impact of the current trade deficit on the central regions of the country versus the coastal regions.

In this regard, the Joint Economic Committee of the United States Congress recently published a report entitled "The Bi-Coastal Economy: Regional Patterns of Economic Growth During the Reagan Administration." They found that while the 16 coastal states comprising the East Coast and California had an annual growth rate of 4 percent between 1981 and 1985, the annual growth rate for the rest of the country was only 1.4 percent. They attribute this phenomenon to the massive trade imbalance which has hit the manufacturing sector the hardest. Meanwhile, the service economy has continued to grow, with the most prosperous service industries being concentrated on the coasts.

Nevertheless, this still does not entirely explain higher joblessness among blacks. Blacks are no more concentrated in the

Table 3
Employment Status for Regions By Race and Age
Ranked By Black Unemployment Rate
(Figures Are For Percentage of the Labor Force, 1984)

	Percent Unemployed	Percent Unemployed 26+ Weeks	Percent On Lay-off	Percent Part-time Involuntary
<u>East North Central</u>				
Blacks	22.4	14.0	2.2	6.7
Whites	8.0	4.0	1.6	5.5
<u>East South Central</u>				
Blacks	21.1	11.3	1.5	10.1
Whites	7.4	2.7	1.2	5.3
<u>West North Central</u>				
Blacks	18.8	14.3	.6	10.0
Whites	5.6	2.2	1.1	4.8
<u>West South Central</u>				
Blacks	15.3	5.4	.8	8.2
Whites	5.7	1.3	.4	4.2
<u>Mid-Atlantic</u>				
Blacks	15.0	6.5	1.3	4.7
Whites	6.7	2.8	1.3	4.2
<u>Pacific</u>				
Blacks	15.0	7.7	1.4	6.3
Whites	7.6	2.2	.9	5.3
<u>Mountain</u>				
Blacks	12.7	N.A.	N.A.	7.7
Whites	5.8	1.3	.6	5.4
<u>South Atlantic</u>				
Blacks	12.3	4.1	1.0	8.7
Whites	5.0	1.5	.7	4.0
<u>New England</u>				
Blacks	8.7	N.A.	N.A.	4.2
Whites	4.7	1.3	.9	3.7

Source: U.S. Department of Labor, Bureau of Labor Statistics,
Geographic Profile of Employment and Unemployment, 1984.

central regions of the country than are whites. Table 3 does indicate, however, that blacks have suffered disproportionately from the sluggish growth in the central regions. On average, black unemployment rates are 3 times white unemployment rates in the four central regions. Black rates average 2.2 times the white unemployment rates in the other 5 regions. In the central regions blacks, on average, are 4.6 times as likely as whites to suffer long term unemployment (more than 6 months); in the other 5 regions they are 3 times as likely to suffer long term unemployment. The differences between blacks and whites with respect to layoffs and involuntary part-time employment are also greater in the central regions than in other parts of the country.

In summary, the data indicate that it is not the decline in manufacturing per se, but the decline within certain manufacturing industries and regions of the country, plus the disproportionate impact of this decline on blacks, that help explain--in part--high black joblessness. The question still remains, why are blacks disproportionately affected?

IV. "Last Hired and First Fired": Skills or Discrimination?

That blacks are the "last hired and first fired"--as suggested by the data in Table 3--is old news, as old as the arguments used to explain this phenomenon. Most of these arguments can be classified into two groups: those that emphasize the lower skill levels of blacks and those that emphasize racial discrimination. There have been many studies examining these two

variables, almost none of which could eliminate discrimination as an important cause of black joblessness.

The inability of education to eliminate the unemployment problems of blacks can be shown on Table 4 which presents unemployment rates by race and educational attainment. Clearly, the more education one has, the less likely one is to experience unemployment. This is true for both blacks and whites. But within each educational category whites consistently have lower unemployment rates than blacks. Again, black unemployment rates are, on average, twice as high as those for whites even when accounting for educational attainment.

Further, in recent years college-educated blacks have experienced a marked increase in unemployment relative to college-educated whites. This deterioration apparently began with the 1981/1982 recession. Between 1981 and 1982 the unemployment rate for college-educated blacks increased 108 percent (from 4.0 percent in 1981 to 8.3 percent in 1982), the largest increase found for any of the race-education groups. The jump for college-educated whites was 26 percent. The largest jump for any of the white education groups was 32 percent. None of the other black education groups experienced as large a jump as college-educated blacks either. It is possible, however, that among the lesser educated there may be a greater tendency to withdraw from the labor market when jobs are scarce, resulting in an underestimation of the impact of the recession upon them.

Finally, while every one of the race-education groups had returned to their pre-recession unemployment levels by 1985 (or

Table 4
Unemployment Rate By Sex, Race, and Educational Attainment:
1980-1985

	1980	1981	1982	1983	1984	1985
<u>Whites</u>						
Total	6.0	7.0	8.6	9.7	7.2	6.6
1-3 years of high school	11.6	13.5	17.0	19.0	15.2	14.2
4 years of high school	5.9	7.2	9.1	10.3	7.4	7.0
1-3 years of college	4.4	4.4	5.8	7.0	5.1	4.2
4 or more years of college	1.9	2.3	2.9	3.4	2.5	2.3
<u>Blacks</u>						
Total	13.4	15.9	18.9	21.0	17.1	15.6
1-3 years of high school	20.5	24.7	24.1	29.5	27.1	24.7
4 years of high school	13.1	16.4	20.7	22.8	18.3	16.2
1-3 years of college	10.8	11.8	15.8	17.3	12.0	12.3
4 or more years of college	4.4	4.0	8.3	8.5	6.3	5.8

Source: U.S. Department of Labor, Bureau of the Census, Statistical Abstract of the United States, 1986.

within 5 percent of it), college-educated blacks did not. By 1985 college-educated blacks had an unemployment rate 45 percent higher (at 5.8 percent) than their 1981 unemployment rate.

There are several possible explanations for this. First, college-educated blacks are a relatively young group since it was not until recent decades that blacks, in large numbers, attended college. Since they are younger, they will have less seniority and will more likely be bumped when cut-backs are made. Second, blacks are more dependent on government employment which has suffered major personnel reductions on both the national and local level. Third, college-educated blacks may suffer from greater job discrimination. Given the antipathy toward affirmative action on the part of the Reagan administration, businesses may feel less pressure to hire young blacks into the better jobs. Skills alone cannot explain black unemployment given the problems college-educated blacks have faced in the past few years.

V. The Break-up of the Black Family As An Explanation

Recently, considerable attention has focused on the rise in female-headed families to explain the stagnation in average black family income since the mid-1970's. Can this also explain high unemployment rates?

According to some, the causality goes in the opposite direction: high joblessness is a cause of the rise in female-headed households. Further, many members of the so-called "underclass" who have or have fathered children outside of the

"traditional" family unit are not in the labor force, and therefore are not counted in the unemployment statistics.

Nevertheless, whatever the causes, female-headed households comprise a significant portion of the black population and the particular employment problems of this group require close examination. Table 5 presents unemployment rates for blacks and whites by family type. The same pattern is seen that was found in the previous tables: blacks regardless of family type are more likely to experience unemployment than are whites.

Generally, families maintained by women experience some unemployment by a family member more often than married-couple families. But the differences between married-couple families and female-headed ones are not large. Further, families maintained only by men are as likely or more likely than those maintained by women to experience some unemployment.

The major problem faced by female-headed families, particularly black female-headed families, is to be found by examining column 3 of table 5. Of those families that experience some unemployment, black female-headed families are much more likely to have no one who is employed within that family. In other words, black female-headed families are less likely to have multiple earners. So when some unemployment by a family member does occur, it is more likely that no one in that family will have employment.

This suggests that black women who head families face a significantly greater financial burden than other family heads. As stated earlier, these figures may understate the problem since

Table 5
Unemployment in Families
By Type of Family and Race¹

	Percent of All Families	Percent With Some Unemployment	Percent With No Employed ²
<u>White</u>			
Total Families	100.0	9.3	2.7
With Children Under 18	48.7	11.1	3.6
Married Couple Families	83.2	8.6	2.0
With Children Under 18	39.5	10.8	2.6
Families Maintained By Women	13.0	12.5	6.2
With Children Under 18	7.6	12.1	7.4
Families Maintained By Men	3.9	13.3	6.1
With Children Under 18	1.5	14.8	8.9
<u>Black</u>			
Total Families	100.0	18.2	7.2
With Children Under 18	58.3	18.6	8.7
Married Couple Families	50.9	15.9	3.2
With Children Under 18	26.8	18.2	3.5
Families Maintained By Women	43.1	20.6	11.8
With Children Under 18	29.2	19.0	13.4
Families Maintained By Men	6.0	20.6	8.5
With Children Under 18	2.4	17.0	9.1

Source: U.S. Department of Labor, Bureau of Labor Statistics,
Employment and Earnings, April 1986.

¹. Quarterly averages, first quarter of 1986.

². The number of families with no employed family members and that has a member(s) seeking work, taken as a percentage of all families; does not include those with no employed family members, where none are seeking work (including those with discouraged workers).

many black female heads are not counted in the unemployment figures. (For example, those on welfare would not be counted as unemployed unless they were actively seeking work.) Further, even when black women do work, they receive lower wages than almost any other group. It is no wonder that female-headed households have become a major policy issue.

VI. Trends in Unemployment

Not only is black joblessness a significant problem, there are no indications that it will go away. If anything, it has become worse over time. Chart 1, which tracks unemployment for blacks and whites from 1972 to 1986, suggests that in spite of ups and downs, there is a long run tendency for unemployment to rise.

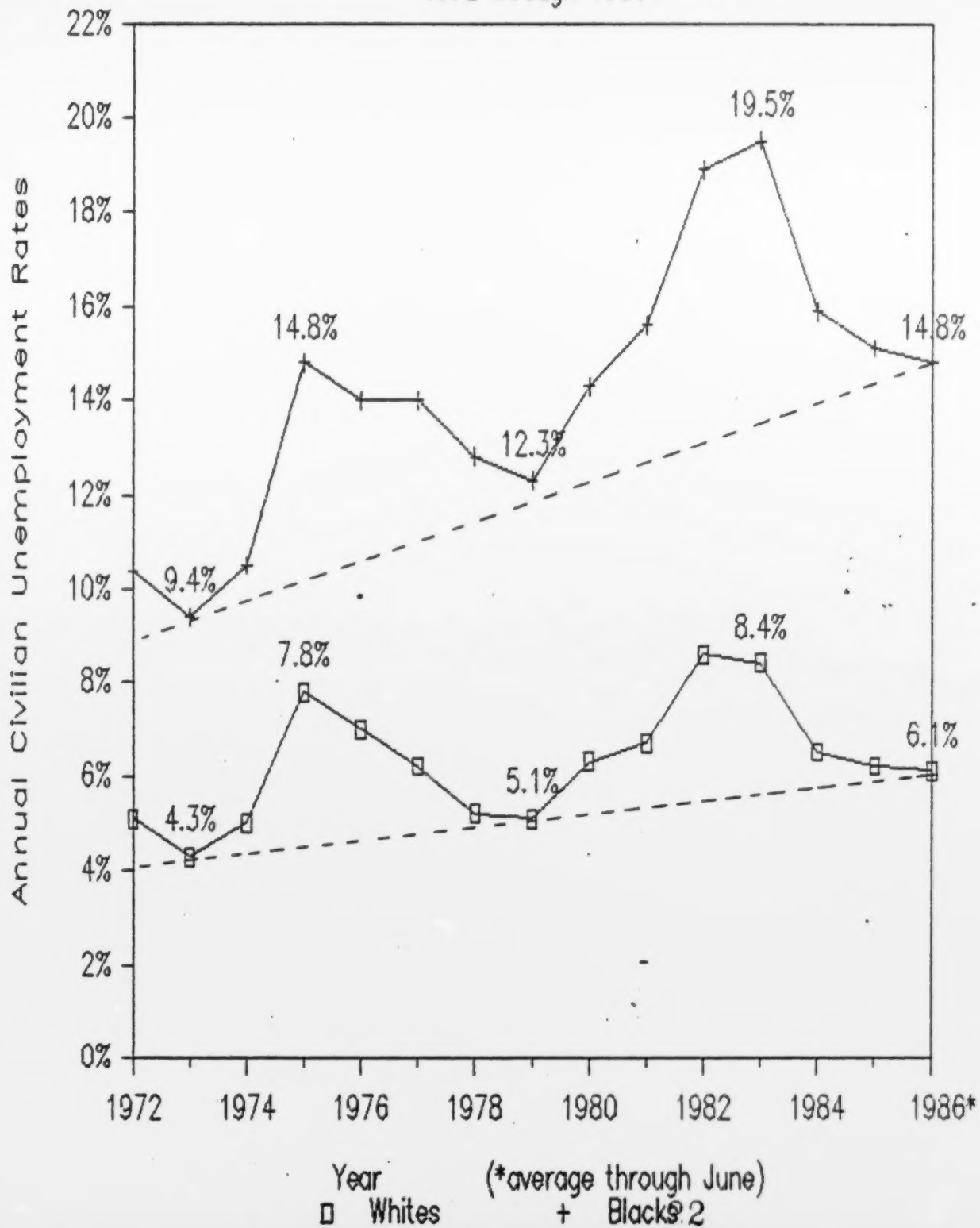
The vertical lines in the chart indicate peaks in business activity, times when unemployment is usually at its lowest. November 1973 was the peak of a business cycle beginning in 1970 and ending in 1975. The unemployment rate was 9.4 for blacks and 4.3 for whites. January of 1980 was the peak of a business cycle extending from 1975 to 1980. The unemployment rate was 12.3 for blacks and 5.1 for whites. In 1986 which, given the current sluggishness of the economy, may very well be the peak year (or close to it) of the current business cycle, the average unemployment rates are even higher: 14.8 for blacks and 6.2 for whites.

The dashed line in chart 1 connects the unemployment rates for each of these "peak" periods. It indicates a clear upward trend in unemployment at times of high business activity.

Chart 1

Black and White Unemployment Rates

1972 through 1986



Further, the upward trend is steeper for blacks than for whites, suggesting an increasing divergence in black and white unemployment rates. The black unemployment rate in 1986 is 57.5 percent higher than it was in 1973. The white unemployment rate in 1986 is 41.9 percent higher than it was in 1973. Unless some action is taken, unemployment--particularly for blacks--will continue to rise. Economic growth, unless it is more significant than it has been in the past 15 years, will not be sufficient to reverse this trend.

VII. Conclusions and Policy Recommendations

Blacks face a serious and perhaps escalating employment problem. Recent BLS projections published in the Monthly Labor Review indicate sharp declines in the labor force participation rates of young black males, based on current trends.² According to this article, by 1995 young black males between the ages of 16 and 24 are expected to have a labor force participation rate of 53.4. This compares to a 1984 rate for this group of 62.3 and a 1995 projection for young white males of 77.0.

While BLS projects significantly higher labor force participation among blacks 25 years or older, the problems black youth face in the present and may face in the future should not be considered temporary. There is considerable evidence that insufficient labor market experience in one's youth, affects one's labor market prospects in adulthood--in terms of both earnings and employment. This is particularly true for blacks.

². Howard N. Fullerton, Jr., "The 1995 Labor Force: BLS' Latest Projections," Monthly Labor Review, November 1985.

If by 1995 only little more than half of black male youths are even in the labor market, this can have serious repercussions for blacks and society as a whole.

Fortunately, projections are notoriously unreliable, so there is no reason to think they are written in stone. Further, in the past few years labor force participation among black youth has increased slightly. But more needs to be done to insure that blacks become a part of mainstream America.

First, a major youth policy initiative must be developed. This should include an expansion in the Head Start program to help young blacks before they encounter problems in the schools and in the labor market; an expansion of compensatory education programs to help those currently having problems in school before they drop out; the development of second chance educational programs for those who have dropped out; an expansion of Job Corps to provide intensive remediation and skill development for those with the severest educational and labor market problems. Studies have found that all of these programs have been successful in the past.

There have also been calls for the development of a "national youth service" which will provide youngsters with an opportunity to gain work experience while, at the same time, serving the nation as a whole in a civilian capacity. Such a program has the possibility of providing experience for disadvantaged youngsters without, at the same time, stigmatizing them as "problem youths" since the program will draw on a broad base of young people. The possibilities for implementing this

proposal require careful examination and consideration, however, since it could be expensive and unwieldy.

A major initiative to help female heads of households also needs to be developed. So-called "workfare" programs have not, by and large, provided them with the skills necessary to achieve permanent self-sufficiency. One can work full-time, year-round at the minimum wage and still make less than poverty-level income for a family of three. Further, women who leave the welfare rolls eventually lose their health coverage which is often not provided in minimum-wage jobs. Low income female heads of household need training programs that will provide them with good, marketable skills. They need access to affordable child care. They need access to health insurance, if it is not provided on the job. An expansion in the earned income tax credit would also provide some tax relief for those barely making it in the labor market.

Training programs also are needed for adult black males, many of whom--as we have seen--are being dislocated by industrial change. Programs are needed to train those who never gained any skills and to retrain those who find themselves with obsolete skills. Evaluations of employment and training programs in the past suggest that short term training programs do little to benefit males with chronically low wages. Again, disadvantaged workers cannot support their families on the minimum wage. Training programs have to provide the kind of skills that allow trainees to make a "livable" income.

Closer attention also needs to be paid to structural, economic changes in the economy. There is no reason to assume, as many commentators have, that the United States can no longer compete with the rest of the world for manufactured goods. Wages are higher in the U.S. than abroad, but we also have the technology and know-how for American workers to be more productive. A serious consideration of what investments in research and development would be necessary to make the U.S. more competitive, at least in some industries, is in order. We have seen that economic growth alone cannot benefit disadvantaged workers, but growth in certain fields probably can.

Finally, there is no evidence to support the contention by many that affirmative action is no longer necessary. College-educated blacks have taken a real beating in recent years. Without vigorous enforcement of equal employment opportunity laws, college-educated blacks may lose the ground they gained in the 1960's and 1970's. While much has been written about a schism between poor blacks and middle-income ones, black role models still have an important role to play in providing encouragement to those who are less advantaged. The nation cannot afford to abandon the commitment made to equal employment opportunity just a few decades ago.

Appendix: Real Joblessness Among States and Localities

The economic, social and human costs of joblessness continue to be felt throughout America. While a few areas of the country, principally the northeast, have healthier economic pictures than they did at the end of the 1970s, most areas have worse jobless rates -- official and "real" -- than before the recessions of 1980 and 1982. NCFE's "real jobless rate" takes into account "discouraged" and involuntary part-timers that the official unemployment rate omits. Tables 1, 2 and 3 provide detailed information on the official and real jobless rates for all states, the largest metropolitan areas, and the hardest hit communities. Among other things, these tables reveal the following:

- 40 states had higher real jobless rates in May, 1986, than in 1979.
- State jobless rates range from a low of 3.2 percent official and 5.8 percent "real" for New Hampshire to 13.0 percent official and 23.4 percent "real" for Louisiana.
- Nineteenth states have official jobless rates above the national average; ten have "real" jobless rates above 15.0 percent.
- The large metropolitan areas with the highest jobless rates were Houston (10.7 official; 19.3 percent "real"), Pittsburgh (8.4 official; 15.1 percent "real"), and Chicago (7.6 percent official; 13.7 percent "real").
- The communities ranking in the top 20 worst jobless rates are spread over 11 states, cover every region, and are all worse off than they were in 1979.
- Jobless rates for the hardest hit communities range from 10.6 percent to 17.7 percent official and 19.1 percent to 31.9 percent "real".
- Among communities showing the biggest increases in real joblessness between 1979 and 1986, are Houston, TX (a 324 percent jump), Beaumont-Port Arthur, TX (a 276 percent increase), and Lafayette, LA (a 289 percent rise).

TABLE 1
TWENTY HIGHEST METROPOLITAN AREAS UNEMPLOYMENT (%)

Location	Annual Average 1979		May 1986 (most recent)	
	Official [*] Rate	Real ^{**} Rate	Official [*] Rate	Real ^{**} Rate
1. McAllen Edinburg Mission, TX	12.0	20.4	17.7	31.9
2. Houma Thibodaux, LA	N/A	N/A	16.9	30.4
3. Brownsville Harlingen, TX	8.5	14.5	16.3	29.3
Beaumont-Port Arthur, TX	5.9	10.0	16.3	29.3
4. Odessa, TX	N/A	N/A	16.0	28.8
5. Lake Charles, LA	6.8	11.6	15.1	27.2
6. Modesto, CA	11.8	20.1	14.6	26.3
7. Longview Marshall, TX	N/A	N/A	13.9	25.0
8. Lafayette, LA	4.7	8.0	13.6	24.5
9. Beaver County, PA	N/A	N/A	13.5	24.3
10. El Paso, TX	7.9	13.4	12.3	22.1
Galveston Texas City, TX	5.0	8.5	12.3	22.1
11. Fresno, CA	8.0	13.8	12.0	21.6
12. Shreveport, LA	5.1	10.4	11.9	21.4
Brazoria, TX	N/A	N/A	11.9	21.4
13. Kenosha, WI	5.2	8.8	11.8	21.2
14. Decatur, IL	7.9	14.2	11.6	20.9
Midland, TX	N/A	N/A	11.6	20.9
Johnstown, PA	8.7	14.8	11.6	20.9
15. Albany, GA	N/A	N/A	11.2	20.2
Bakersfield, CA	8.6	14.6	11.2	20.2
16. Owensboro, KY	5.7	9.7	11.1	20.0
Waterloo-Cedar Falls, IA	4.7	8.5	11.1	20.0
17. Kankakee, IL	8.1	13.8	11.0	19.8
18. Baton Rouge, LA	5.5	11.1	10.9	19.6
New Orleans, LA	5.8	9.9	10.9	19.6
Wheeling, WV	6.4	10.9	10.9	19.6
19. Houston, TX	3.3	5.6	10.7	19.3
20. Gary Hammond, IN	6.6	11.2	10.6	19.1
Stockton, CA	9.9	16.8	10.6	19.1

* Source: Bureau of Labor Statistics.

** Source: National Committee for Full Employment. The real rate of unemployment takes into account the numbers of officially unemployed, part-time for economic reasons and discouraged workers. In May, 1986 the official unemployment rate was 7.2 percent, while the real jobless rate was 12.7 percent.

TABLE 2

TWENTY LARGEST METROPOLITAN AREAS UNEMPLOYMENT (%)

Location	Annual Average 1979		May 1986 (most recent)	
	Official Rate	Real Rate	Official [*] Rate	Real ^{**} Rate
1. New York, NY	8.1	13.8	7.3	13.1
2. Los Angeles-Long Beach, CA	5.5	9.4	6.0	10.8
3. Chicago, IL	5.2	8.8	7.6	13.7
4. Philadelphia, PA	6.9	11.7	5.9	10.6
5. San Francisco, CA	5.6	9.5	4.1	7.4
6. Detroit, MI	8.0	13.6	N/A	N/A
7. Boston, MA	5.3	9.0	3.6	6.5
8. Houston, TX	3.3	5.6	10.7	19.3
9. Washington, D.C.	7.5	12.8	6.7	12.1
10. Dallas, TX	3.6	6.1	5.9	10.6
11. Miami-Hialeah, FL	6.3	10.7	6.1	11.0
12. Cleveland, OH	5.0	8.5	6.8	12.2
13. St. Louis, OH	5.4	9.2	6.4	11.5
14. Atlanta, GA	4.6	7.8	4.4	7.9
15. Pittsburgh, PA	5.9	10.0	8.4	15.1
16. Baltimore, MD	6.6	11.2	4.3	7.7
17. Minneapolis-St. Paul, MN	3.3	5.6	4.1	7.4
18. Seattle, WA	5.3	9.0	6.1	11.0
19. San Diego, CA	6.2	10.5	4.6	8.3
20. Tampa-St. Petersburg- Clearwater, FL	5.4	9.2	5.0	9.0

* Source: Bureau of Labor Statistics.

** Source: National Committee for Full Employment. The real rate of unemployment takes into account the numbers of officially unemployed, part-time for economic reasons and discouraged workers. In May, 1986 the official unemployment rate was 7.2 percent, while the real jobless rate was 12.7 percent.

TABLE 3
STATE UNEMPLOYMENT RATES (%)

Location	Annual Average 1979		May 1986 (most recent)	
	Official Rate	Real Rate	Official [*] Rate	Real ^{**} Rate
Alabama	7.1	12.1	9.2	16.6
Alaska	9.2	15.6	10.7	19.3
Arizona	5.1	8.8	6.3	11.3
Arkansas	6.2	10.5	7.8	14.0
California	6.2	10.5	6.1	11.0
Colorado	4.8	8.2	6.9	12.4
Connecticut	5.1	8.7	3.5	6.3
Delaware	8.0	13.6	4.9	8.8
District of Columbia	7.5	12.8	6.7	12.1
Florida	6.0	10.2	5.3	9.5
Georgia	5.1	8.7	5.6	10.1
Hawaii	6.3	10.7	5.0	9.0
Idaho	5.7	9.7	8.1	14.6
Illinois	5.5	9.4	8.2	14.8
Indiana	6.4	10.9	6.5	11.7
Iowa	4.1	7.0	6.3	11.3
Kansas	3.4	5.8	5.2	9.4
Kentucky	5.6	9.5	9.1	16.4
Louisiana	6.7	11.4	13.0	23.4
Maine	7.2	12.2	5.2	9.4
Maryland	5.9	10.0	3.7	6.7
Massachusetts	5.5	9.4	4.0	7.2
Michigan	7.8	13.5	9.4	16.9
Minnesota	4.2	7.1	5.0	9.0
Mississippi	5.8	9.9	11.5	20.7
Missouri	4.5	7.7	5.5	9.9
Montana	5.1	8.7	7.1	12.8
Nebraska	3.2	5.4	4.7	8.5
Nevada	5.1	8.7	5.9	10.6
New Hampshire	3.1	5.3	3.2	5.8
New Jersey	6.9	11.7	5.3	9.5
New Mexico	6.6	11.2	9.0	16.2
New York	7.1	12.1	6.9	12.4
North Carolina	4.8	8.2	5.4	9.7
North Dakota	3.7	6.3	6.1	11.0
Ohio	5.9	10.0	7.5	13.5
Oklahoma	3.4	5.8	8.6	15.5
Oregon	6.8	11.6	9.2	16.6
Pennsylvania	6.9	11.7	7.7	13.9

TABLE 3
(continued)

STATE UNEMPLOYMENT RATES (%)

Location	Annual Average 1979		May 1986 (most recent)	
	Official [*] Rate	Real ^{**} Rate	Official [*] Rate	Real ^{**} Rate
Rhode Island	6.6	11.2	3.4	6.1
South Carolina	5.0	8.5	6.6	11.9
South Dakota	3.5	5.6	4.7	8.5
Tennessee	5.8	9.9	7.3	13.1
Texas	4.2	7.1	9.3	16.7
Utah	4.3	7.3	5.2	9.4
Vermont	5.1	8.7	4.5	8.1
Virginia	4.7	8.0	4.9	8.8
Washington	6.8	11.6	7.5	13.5
West Virginia	6.7	11.4	10.4	18.7
Wisconsin	4.5	7.7	6.5	11.7
Wyoming	2.8	4.8	9.3	16.7

* Source: Bureau of Labor Statistics.

** Source: National Committee for Full Employment. The real rate of unemployment takes into account the numbers of officially unemployed, part-time for economic reasons and discouraged workers. In May, 1986 the official unemployment rate was 7.2 percent, while the real jobless rate was 12.7 percent.